

SECRET

OGC 75-0363

OMB

OLC 75 0195

3 February 1975

MEMORANDUM FOR: Comptroller

SUBJECT: Expenditure of Funds

1. The second paragraph of the OMB letter to the chairmen of our appropriations committees for the current fiscal year refers to existing understandings regarding expenditure of funds and states they are subject to established procedures for review and control. There were recent discussions with OMB where it became clear there was no full understanding of precisely what those words meant.

2. Attached is a new paragraph which would spell out precisely the understandings and procedures. This has been reviewed by Finance, OMB, and [] OMB seems reluctant to include it in this year's letter, and it was agreed the wording would be worked into the budget presentation with a statement that this was approved by OMB.

3. I think it essential that this matter be exposed to our appropriations committees. I am certain, if they were to be asked about the meaning of the paragraph in the letter, they would be at a loss to explain it in any detail. I think it highly desirable that there be an agreed understanding of precisely what are the understandings and procedures.

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JOHN S. WARNER
General Counsel

Attachment

cc: OLC
D/Finance

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F-2 IMPDET
CL BY []

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24 January 1975

If approved, the funds will be transferred to the CIA pursuant to provisions under 50 U.S.C. 403f and will be expended in accordance with applicable provisions of law, including, but not limited to, 50 U.S.C.A. 403, as amended, and 50 U.S.C.A. 403a-j, as amended. The amounts indicated to be spent for regular operations shall be treated in a manner similar to annual appropriations. Unobligated funds not required for regular operations shall periodically be placed in the Contingency Reserve and shall be treated as no-year funds while in the Reserve. However, when funds are withdrawn from the Reserve, they shall be treated in a manner similar to annual appropriations for the year in which the withdrawal occurs. Withdrawals from this Reserve will be accomplished by a request from the CIA and must be approved by the Office of Management and Budget. The CIA will notify you as soon as practicable of each such reserve withdrawal after approval by the Office of Management and Budget.